



PUBLIC INTEREST ADVOCACY CENTRE
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March 28, 2012

VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
EB-2011-0293: Interrogatories

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

ATIKOKAN HYDRO INC. (Atikokan)
2012 RATE APPLICATION (EB-2011-0293)

VECC INTERROGATORIES (ROUND #2)

LOAD FORECAST

1. Reference: OEB #10

- a) Please Indicate whether or not Atikokan is proposing to change its customer count forecast (from that presented in the original application) and, correspondingly, its forecast of both purchased power and usage by class for 2011 and 2012.
- b) If yes, please update tables 3-6 and 3-9 through 3-18 from the original application.

2. Reference: VECC #7 a) and c)

- a) Please provide the Q1 and Q2 2011 CDM Status Reports for Atikokan.
- b) Based on the results reported in these status reports please estimate the savings achieved by April 31, 2011 from Atikokan's 2011 CDM programs.

3. Reference: VECC #8 b)

- a) Using the equation estimated in response to VECC #8 b) please provide a table similar to Table 3-6 in the original Application.

REVENUE OFFSETS

4. Reference: VECC #12

- a) Apart from the revenues from MicroFit charges are there any other revenues that are recorded in Account #4235 and not reported in Table 3-34? If yes, please itemize and provide the values for 2010-2012 inclusive.

COST ALLOCATION

5. Reference: VECC #21

- a) Please update Table 7-3 from the original application to reflect the results of the revised 2012 cost allocation.
- b) What is the new revenue 2012 deficiency created by reducing the GS<50 revenue to cost ratio to 120%?
- c) What (common) revenue to cost ratio would the GS>50 and Street Light classes need to be increased to in order to eliminate this deficiency (assuming the Residential ratio is unchanged)?
- d) What would be the bill impacts on the GS>50 and Street Light classes if the ratios were adjusted as per part c) above?

RATE DESIGN

6. Reference: OEB #21

- a) Is Atikokan now proposing to increase the transformer allowance to \$0.24 / kW or \$0.31 / kW?

7. Reference: OEB #24

- a) Does the response to OEB #24 reflect the updated revenue requirements (per OEB #58)?
- b) Does the response to OEB #24 reflect the results of the updated cost allocation (per VECC #21) and, if so, what is the associated revenue to cost ratio used for Residential for 2012?

SMART METERS

8. Reference: OEB #40

- a) In reference to the Table shown at (d) of the responses – please provide the installation costs separate from the Total costs for the REX 2 meters for the Residential and (separately) GS <50 class.

DEPRECIATION/AMORTIZATION

9. Reference: OEB # 49

- a) Please provide a table for 2012 if the proposed useful lives of all assets were set to the typical figure from the Kinetrics study. To assist in the response a copy of the IR response to a similar request in EB-2011-0123 is provided below.

EB-2011-0123
Guelph Hydro Electric Systems Inc.
Part 2_ Responses to Energy Probe Interrogatories
Delivered October 11, 2011

Appendix 2-M - Depreciation and Amortization Expense												
Revised using Kinetrics Useful Life												
2012 Test Year												
Account	Description	Opening Balance	Less Fully Depreciated ⁽¹⁾	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense	Average typical useful life of individual components (Kinetrics)	Depreciation using Kinetrics Typical useful lives	Difference
		(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) + 0.5 x (d) ⁽²⁾	(f)	(g) = 1 / (f)	(h) = (e) / (f)			
1815	Transformer Station Equipment >50 kV	\$9,983,177		\$9,983,177	\$0	\$9,983,177	30	0.03	\$332,773	40	0.025	\$349,579
1820	Substation Equipment	\$1,708,887		\$1,708,887	\$0	\$1,708,887	30	0.03	\$56,963	40	0.025	\$42,722
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0						
1830	Poles, Towers & Fixtures	\$23,598,735		\$23,598,735	\$1,458,598	\$24,328,034	40	0.03	\$608,201	50	0.020	\$486,561
1835	OH Conductors & Devices	\$19,104,801		\$19,104,801	\$1,364,027	\$19,786,814	40	0.03	\$494,670	60	0.017	\$329,780
1840	UG Conduit	\$40,546,142		\$40,546,142	\$2,666,116	\$41,879,200	40	0.03	\$1,046,980	40	0.025	\$1,046,980
1845	UG Conductors & Devices	\$38,418,577		\$38,418,577	\$2,373,457	\$39,605,306	40	0.03	\$990,133	40	0.025	\$990,133
1850	Line Transformers	\$19,221,601		\$19,221,601	\$1,076,643	\$19,759,923	25	0.04	\$790,397	40	0.025	\$493,998
1855	Services (OH & UG)	\$7,452,758		\$7,452,758	\$278,723	\$7,592,119	40	0.03	\$189,803	40	0.025	\$189,803
1860	Meters	\$14,725,108		\$14,725,108	\$625,000	\$15,037,608	25	0.04	\$601,504	30	0.033	\$501,254
1861	Smart Meters			\$0	\$0	\$0	15	0.07	\$0	15	0.067	\$0
	Total	\$174,759,786		\$174,759,786	\$9,842,564	\$179,681,068			\$5,111,424			\$4,330,810 (\$780,614)
Notes:												
(1) This adjusts for assets still on the books but which have been fully amortized or depreciated.												
(2) Applicable for the standard Board policy of the "half-year" rule, that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.												